



Press Release

CAE awarded new military contracts in Europe and Canada valued at approximately C\$50 million

- **Maintenance and support services at German Army Aviation School**
- **C-130 and KDC-10 academic training systems to Royal Netherlands Air Force**
- **Continued support for the Canadian Air Force Integrated Information and Learning Environment (AFILLE) program**

Montreal, May 4, 2010 – (NYSE: CAE; TSX: CAE) – CAE today announced that towards the end of its fiscal 2010 it was awarded several new military contracts in Europe and Canada to support the German Army and Royal Netherlands Air Force as well as Canada's Department of National Defence. The value of the contracts combined is approximately C\$50 million.

"CAE has always maintained a significant presence in Europe and we have established long-term relationships with many of Europe's military forces and ministries of defence," said Martin Gagne, CAE's Group President, Military Products, Training and Services. "As we approach the International Training and Education Conference (ITEC), Europe's leading defence training event, we are pleased to announce two recent contracts in Europe that highlight CAE's comprehensive portfolio of simulation-based products and services."

German Army Aviation School

Germany's procurement office BWB (Bundesamt für Wehrtechnik und Beschaffung) has awarded CAE Germany a contract to continue providing a range of maintenance and training support services at the Hans E. Drebing simulator centre of the German Army Aviation School in Bueckeburg. The new contract, awarded to CAE following a competitive procurement, covers the on-site maintenance for the next six years of the 12 CAE-built helicopter simulators operated at the German Army Aviation School. The state-of-the-art training facility includes two UH-1D, two CH-53, and eight EC135 helicopter simulators that are used to deliver initial and advanced pilot training to the German Armed Forces.

"The German Army Aviation School at Bueckeburg is one of the world's largest and most advanced helicopter training centres, and we are pleased to continue our support of this world-class facility," said Ulrich Aderhold, Managing Director of CAE's military operations in Europe and Africa. "For many years CAE has worked closely with the German Armed Forces for the provision of maintenance and training support services, and our people are committed to high-quality service that helps ensure the mission readiness of Germany's helicopter aircrews."

Netherlands Ministry of Defence

CAE will provide the Netherlands Ministry of Defence (NL MoD) with a comprehensive academic training system for the C-130 and KDC-10 aircraft operated by the Royal Netherlands Air Force (RNLAf). Based on the C-130H and KDC-10 full-mission simulation software used in the full-mission simulators CAE is currently developing for the RNLAf, the academic training system will include a suite of classroom training equipment, instructor tools and courseware. CAE will deliver to the RNLAf's Air Mobility Training Centre a suite of CAE Simfinity virtual simulators (VSIM), virtual systems trainers (VST), and instructor tools that can be used to monitor, create and modify lesson plans and training scenarios. In addition, CAE

will develop interactive multi-media courseware for both the C-130H and KDC-10 that can be instructor-led, self-paced or combined to support initial, recurrent and conversion-to-type training for the entire aircrew.

Canada's Department of National Defence

CAE's Professional Services support to the Canadian Air Force Integrated Information and Learning Environment (AFIILE) program has been extended under a two-year contract. CAE Professional Services will continue to implement AFIILE across the Canadian Air Force and an additional 23 Air Force training organizations. This phase of the AFIILE program will also include adding additional functionality to the learning environment including web portal access and workflow and training management. In collaboration with its technology partners – Saba, OutStart, and Britannica Fox – CAE Professional Services is delivering a single environment to conduct and manage training operations and learning content development across the Canadian Air Force and at its training establishments.

CAE will be exhibiting at the International Training and Education Conference (ITEC) from May 18-20, 2010 at the ExCel Centre in London. ITEC is Europe's largest and most established event focused on defence training and simulation. At the show, CAE (Booth #B110) will feature technology and capability demonstrations of the CAE GESI constructive simulation system, tactical aircrew training solutions, unmanned aerial systems (UAS) mission training solutions, CAE Medallion-6000 image generator highlighting the Aermacchi M-346 advanced lead-in fighter trainer, and the CAE VIMEDIX echocardiography simulator from the new CAE Healthcare business unit.

CAE is a world leader in providing simulation and modelling technologies and integrated training solutions for the civil aviation industry and defence forces around the globe. With annual revenues exceeding C\$1.6 billion, CAE employs more than 7,000 people at more than 90 sites and training locations in 20 countries. We have the largest installed base of civil and military full-flight simulators and training devices. Through our global network of 29 civil aviation and military training centres, we train more than 75,000 crewmembers yearly. We also offer modelling and simulation software to various market segments and, through CAE's professional services division, we assist customers with a wide range of simulation-based needs. www.cae.com

– 30 –

CAE contacts:

Nathalie Bourque, Vice President, Public Affairs and Global Communications, (514) 734-5788, nathalie.bourque@cae.com

Trade media: Chris Stellwag, Director, Marketing Communications, Military and Civil, (813) 887-1242, chris.stellwag@caemilusa.com

Investor relations: Andrew Arnovitz, Vice President, Investor Relations and Strategy, (514) 734-5760, andrew.arnovitz@cae.com